

1-1 By: Hall S.B. No. 1978
1-2 (In the Senate - Filed March 6, 2025; March 17, 2025, read
1-3 first time and referred to Committee on Business & Commerce;
1-4 May 16, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 4; May 16, 2025,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
Schwertner	X			
King	X			
Blanco		X		
Campbell	X			
Creighton	X			
Johnson		X		
Kolkhorst	X			
Menéndez		X		
Middleton	X			
Nichols	X			
Zaffirini		X		

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 1978 By: King

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to the interconnection of a facility in the ERCOT power
1-24 region to certain other facilities.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 37.051, Utilities Code, is amended by
1-27 amending Subsections (c), (c-1), (c-2), and (c-3) and adding
1-28 Subsection (c-4) to read as follows:

1-29 (c) Notwithstanding any other provision of this chapter
1-30 ~~except Subsection (c-1), including Subsection (a)~~, an electric
1-31 cooperative is not required to obtain a certificate of public
1-32 convenience and necessity for the construction, installation,
1-33 operation, or extension of any generating facilities or necessary
1-34 interconnection facilities.

1-35 (c-1) In this subsection, "facility" means a facility that
1-36 consumes, generates, transmits, or distributes electricity.
1-37 Notwithstanding any other provision of this title except Section
1-38 11.009, and except as provided by Subsection (c-3) [~~(c-2)~~], an
1-39 electric cooperative, ~~[a person, including]~~ an electric utility, a
1-40 ~~[or]~~ municipally owned utility, ~~or another person[7]~~ may not
1-41 interconnect a facility ~~in [to]~~ the ERCOT power region to a facility
1-42 located wholly or partly outside of this state or to a facility that
1-43 is connected directly or indirectly with a facility located wholly
1-44 or partly outside of this state, ~~[transmission grid that enables~~
1-45 ~~additional power to be imported into or exported out of the ERCOT~~
1-46 ~~power grid]~~ unless:

1-47 (1) the proposed interconnection will not subject the
1-48 ERCOT power region to additional federal control or jurisdiction;

1-49 (2) the commission first determines that the proposed
1-50 interconnection is in the public interest after considering:

1-51 (A) the technical attributes of the proposed
1-52 interconnection;

1-53 (B) the expected costs to the public to install,
1-54 operate, and maintain the interconnection;

1-55 (C) the results of relevant criteria adopted by
1-56 the commission under Section 37.056(d);

1-57 (D) the results of a reliability assessment
1-58 conducted by the independent organization certified under Section

1-59 39.151 for the ERCOT power region; and

1-60 (E) any other information the commission

2-1 considers appropriate;

2-2 (3) the cooperative, utility, or person applies for a
2-3 public interest determination from the commission under
2-4 Subdivision (2) [the person obtains a certificate from the
2-5 commission stating that public convenience and necessity requires
2-6 or will require the interconnection. The person must apply for the
2-7 certificate] not later than the 180th day before the date the
2-8 cooperative, utility, or person seeks any order from the Federal
2-9 Energy Regulatory Commission related to the proposed
2-10 interconnection; and

2-11 (4) after the cooperative, utility, or person obtains
2-12 any order from the Federal Energy Regulatory Commission related to
2-13 the proposed interconnection, the commission grants a certificate
2-14 stating that public convenience or necessity requires or will
2-15 require the interconnection.

2-16 (c-2) The commission shall apply Section 37.056 in
2-17 considering an application under Subsection (c-1) [this
2-18 subsection]. [In addition, the commission must determine that the
2-19 application is consistent with the public interest before granting
2-20 the certificate.] The commission may adopt rules necessary to
2-21 implement Subsection (c-1) [this subsection]. Subsection (c-1)
2-22 [This subsection] does not apply to a facility that is in service on
2-23 December 31, 2014.

2-24 (c-3) [(c-2)] The commission, not later than the 185th day
2-25 after the date the application is filed, shall approve an
2-26 application filed under Subsection (c-1) for a facility that is to
2-27 be constructed under an interconnection agreement appended to an
2-28 offer of settlement approved in a final order of the Federal Energy
2-29 Regulatory Commission that was issued in Docket No. TX11-01-001 on
2-30 or before December 31, 2014, directing physical connection between
2-31 the ERCOT and SERC regions under Sections 210, 211, and 212 of the
2-32 Federal Power Act (16 U.S.C. Sections 824i, 824j, and 824k). In
2-33 approving the application, the commission may prescribe reasonable
2-34 conditions to protect the public interest that are consistent with
2-35 the final order of the Federal Energy Regulatory Commission.

2-36 (c-4) [(c-3)] Nothing in Subsection (c-1), [or] (c-2), or
2-37 (c-3) is intended to restrict the authority of the commission or the
2-38 independent organization certified under Section 39.151 for the
2-39 ERCOT power region to adopt rules or protocols of general
2-40 applicability.

2-41 SECTION 2. The changes in law made by this Act in Section
2-42 37.051, Utilities Code, apply only to an interconnection made on or
2-43 after the effective date of this Act. An interconnection made
2-44 before the effective date of this Act is governed by the law in
2-45 effect when the interconnection was made, and the former law is
2-46 continued in effect for that purpose.

2-47 SECTION 3. This Act takes effect immediately if it receives
2-48 a vote of two-thirds of all the members elected to each house, as
2-49 provided by Section 39, Article III, Texas Constitution. If this
2-50 Act does not receive the vote necessary for immediate effect, this
2-51 Act takes effect September 1, 2025.

2-52 * * * * *